

William J. Casey
Director of Central Intelligence
Central Intelligence Agency
Washington, D.C. 20505

Dear Mr. Casey:

In recent conversations your senior staff has relayed your deep concern about the need to provide sensitive information to other executive agencies in order to ensure that Agency employees may participate in and receive entitlements due under various of the general, Government-wide retirement, insurance and other benefits programs. It was explained that this flow of data has resulted in inadvertent unauthorized disclosures of classified information, including the identities of Agency personnel under cover.

Accordingly, it is your intention to stanch the flow of sensitive information to other executive agencies, by means of inter-agency agreements or delegations of authority where feasible and by legislation where necessary. Administrative avenues would be used where the communications required by the administering agency with primary jurisdiction for the benefits program involved are less significant in terms of number or sensitivity; and legislation would be resorted to where the benefits program involved is of a pervasive nature, affecting all Agency employees, thus raising security concerns of concomitant scope incident to providing information to the administering agency.

In particular, you believe that at least in the area of retirement, affecting as it does a great many Agency employees and involving the Office of Personnel Management and the Social Security Administration, the problems of information transfer are so substantial that possible administrative remedies would be unwieldy and unworkable. Therefore, you intend to seek legislative authority to administer internally the retirement systems for all your employees.

I support you in this plan and wish to indicate that this Office will interpose no objection to legislation allowing CIA to administer the rules pertaining to retirement for all its employees in order to ensure adequate protection of the identities of employees under cover and other sensitive data regarding the CIA intelligence mission.

Sincerely,

David A. Stockman
Director
Office of Management and Budget

OPTION I

<u>APPROACH</u>	<u>PRIMARY FEATURES</u>	<u>RATIONALE</u>	<u>ACTION REQUIRED</u>
Internally administered Agency Retirement Program for all Agency employees.	Two sub-systems--one for CIARDS, and one for non-CIARDS employees. Each sub-system would have two tiers covering current employees and those hired after 1 Jan 84.	Maximum security protection of identities of all current Agency employees and those hired after 1 Jan 84.	New legislation using existing CIARDS as the base for legislative change.
	Provides maximum flexibility to administer retirement program and maintain security unencumbered by future changes to Federal retirement programs.	Provision would parallel those now in effect for current CIARDS and CSRS systems. New supplemental program would equate to current CIARDS and CSRS provisions with necessary modification to accommodate integration with Social Security.	
	Provides retirement systems that fully support special managerial requirements of CIA.		

OPTION II

<u>APPROACH</u>	<u>PRIMARY FEATURES</u>	<u>RATIONALE</u>	<u>ACTION REQUIRED</u>
Internally Administered Agency Retirement Program for employees hired on or after 1 Jan 84.	Current Retirement Programs remain intact. Provide a new sub-system with two-tiers--one for CIARDS Types, and one for non-CIARDS.	Maximum security protection for all new employees. Eventual protection of all employees.	Legislation using existing CIARDS as the legislative base.
	Only system administered outside the Agency would be current CSRS.	Provides improved flexibility to administer programs and maintain security for new employees. Would eventually encompass all employees.	
	Provisions would equate to those of current CIARDS and CSRS with necessary modification to integrate with Social Security.	Provides features equivalent to existing systems and their managerial support.	

OPTION III

<u>APPROACH</u>	<u>PRIMARY FEATURES</u>	<u>RATIONALE</u>	<u>ACTION REQUIRED</u>
Modify CIARDS to permit participation of all new employees upon EOD with the Agency. Alternative: Permit participation of all new employees upon EOD who are serving in career fields considered qualifying for CIARDS. (Regulation Change)	Provisions, Benefits, and criteria for retirement under CIARDS remain unchanged. New employees would participate in CIARDS upon EOD until determined they would not perform sufficient qualifying service to retire under CIARDS. Determination on continued participation in CIARDS made upon completion of 15 years of service.	Protects identities of all Agency employees from disclosure to OPM. Reverses current procedures whereby names of Agency employees are provided to OPM upon qualifying for CIARDS. Under this option, names of individuals would not be provided on any employee until they retire, and then only non-CIARDS employees. This would not alter the benefit or number of retirements for either system, but would provide significantly increased security protection.	Legislation Required

OPTION IV

<u>APPROACH</u>	<u>PRIMARY FEATURES</u>	<u>RATIONALE</u>	<u>ACTION REQUIRED</u>
Modify current CIARDS "qualifying service" rules for eligibility to retire.	Change 60 months of qualifying service to 2 years or 3 years.	Increased risk in service abroad.	Legislation
	Reduce minimum age eligibility from 25 to younger or eliminate it altogether.	Allow earlier participation in CIARDS. Increase the number eligible, and increase number who retire under CIARDS. Expand number of people under CIA control.	Regulation Change
	Consider all service under cover as "qualifying service."		Regulation Change

OPTION V			
<u>APPROACH</u>	<u>PRIMARY FEATURES</u>	<u>RATIONALE</u>	<u>ACTION REQUIRED</u>
Modify current CIARDS "qualifying service" rules for CIARDS participation.	Change 60 months of qualifying service for participation to 2 years or 3 years. Retain 60 months of qualifying service for retirement.	Increased risk in service abroad. Would allow earlier participation in CIARDS and would expand number of people under CIA control.	Regulatory Change
	Reduce minimum age from 25 to younger or eliminate altogether.	Would allow earlier participation in CIARDS and would expand number of people under CIA control.	Regulatory Change
	Consider all service under cover as qualifying service,		Regulatory Change